

ARTICLE 4

SECTION 17

NOTICE OF ACTION

1. GENERAL

A Notice of Action (NOA) is used to notify the applicant of the worker's eligibility determination on the application for Medi-Cal benefits. The Notice of Action is also used to inform the beneficiary of any changes in his/her eligibility status or share of cost. This section defines different types of NOAs, clarifies regulations regarding timely notice requirements, and describes procedures for generating automated NOAs.

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2. NOA DEFINITIONS

A. Adequate NOA

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An adequate NOA informs the applicant/beneficiary of the action the County is taking, the reasons for the action, the MEM regulations supporting the action, and an explanation of the right to request a State Hearing.

B. Timely NOA

A timely NOA meets the definition of "adequate" and is mailed to the beneficiary at least ten days prior to the first of the month in which the action becomes effective, excluding the date of mailing.

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C. Automated NOAs

Automated NOAs are either State mandated messages or are messages developed by the County to comply with State regulations. Automated NOAs are intended to cover the most frequent situations which may arise. A list of automated NOAs is provided in IM-EDP Manual Section 5.

D. Manual NOAs

Manual NOAs are prepared by the worker using form series MC 239. Series MC 239 forms are available in each district office. Manual NOAs are generally used when the requirement to send a timely notice cannot be met due to computer processing time, but a manual NOA can be prepared and mailed in time to meet the ten-day requirement.

E. NOA Messages

The NOA message is the part of the NOA that informs the client of the action being taken and the reason for that action.

3. NOTICE OF ACTION REQUIREMENTS

A. Usage

Eligibility Technicians will use a Notice of Action to notify the beneficiary of his/her eligibility or ineligibility to Medi-Cal, and of any changes in the beneficiary's eligibility status or share of cost.

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NOAs may be either automated or manual and are prepared in duplicate. The original of the NOA is sent to the applicant/beneficiary. The second copy of the NOA is filed in the case folder under the "Notice of Action" tab.

B. Timely Notice Requirements

1) Adverse Actions

Workers must notify beneficiaries of an action taken to discontinue Medi-Cal benefits or increase the share of cost at least ten days prior to the first of the month in which the action becomes effective, except as noted in C. below.

2) Adequate Notice

In situations where the worker is not required to give timely notice to the beneficiary, the Notice of Action must be mailed in time to reach the beneficiary no later than the effective date of the action.

C. Timely Notice Not Required

1) Discontinuance

Workers are not required to give the beneficiary ten-day notice of the discontinuance of Medi-Cal benefits when the discontinuance is due to any of the following reasons:

- a) Factual information has been received that the beneficiary is deceased.
- b) The whereabouts of the beneficiary is unknown and county mail sent to the beneficiary has been returned by the Post Office indicating no known forwarding address.
- c) Admission to an institution which results in the ineligibility of the beneficiary. Refer to MPG Article 6 to determine the effect of the beneficiary's institutional status on his/her eligibility.
- d) The beneficiary also receives Medi-Cal under another identity or category, or in another county or state; or will have dual eligibility on the first of the coming month if discontinuance action is not taken.

e) Receipt of a signed statement from the beneficiary which requests the discontinuance of the case, or gives information that requires discontinuance and includes an acknowledgement by the beneficiary that providing this information will result in the discontinuance of his/her Medi-Cal benefits.

f) The new address indicates out-of-state residence.

2) Share of Cost Increase

Timely notice is not required when the share of cost is increased for either of the following reasons:

a) The beneficiary voluntarily adds an eligible family member(s) who is not currently receiving benefits under any Medi-Cal program; or

b) The beneficiary provides a signed statement which gives information that requires an increase in the share of cost and includes an acknowledgement by the beneficiary that providing this information will result in an increase in the share of cost.

D. Completion of Notices of Action

1) Approval NOAs must contain the names of the individuals affected, the application date and effective date, if different, and any other information specific to the case, such as share-of-cost, restricted benefit information, etc.

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2) For any adverse NOA (such as a denial, increase in share-of-cost, etc.), the appropriate section numbers of MEM must be included which would refer the individual to the corresponding regulation(s). The citation of section numbers for non-adverse NOAs is optional.

3) NOAs sent to deny or discontinue benefits must also have the specific reasons stated that necessitates the action. A NOA issued to deny an applicant who has not provided information requested and needed for the eligibility determination, for example, should specifically list the items that had been previously requested but not provided.

E. Notices for Mentally Incompetent Persons

For mentally incompetent persons who have a public guardian, conservator, or representative (key person) acting on their behalf, the NOA will be sent to the public guardian, conservator or representative (key person) instead of the incompetent applicant/beneficiary. And if requested, a copy of the NOA will be sent to the administrator of the long-term care facility where the applicant/beneficiary resides. Refer to Article 4, Section 2, Item 4E9) for more information.

F. Notices to Authorized Representatives (ARs)

Sometimes an applicant/beneficiary designates another person or organization to act as the intermediary to funnel information between the applicant/beneficiary and the county. These ARs often request that the county send them a copy of every NOA which is sent to the applicant/beneficiary. According to answer number 10 in Article 4, Section 2, Item 4C, the AR is only permitted to receive a copy of a NOA which the applicant/beneficiary specifically requests be sent to the AR. The county is not obligated to issue NOAs on a routine basis to anyone other than the applicant/beneficiary or the key person.

G. Notices for Minor Consent Cases

A child applying on the basis of Minor Consent shall be given a NOA in the office at the conclusion of the interview/eligibility determination. MC 239V is the appropriate NOA to use for Minor Consent situations. This NOA has the appropriate section citations pre-printed on the form. The ET should advise the applicant/beneficiary to read and destroy the NOA if confidentiality may be compromised otherwise.

4. AUTOMATED NOAs

A. Generating Automated NOAs

Automated NOAs are printed in the daily computer process and are generated from the worker entry of a three-digit numeric code or a single character alpha code in one or more of the following fields on the 278LM, 278LM/BI, 278LM or 278B.

- 1) Line E - Positive Action Code
- 2) Line E - Negative Action Code
- 3) Line B - Food Stamp Action Box
- 4) Line B - NOA Codes
- 5) Line F - Suspense Holds Box

Accurate entry of the NOA code will produce the Notice of Action. NOA forms printed are listed on the CDS340 report. "Daily Notices of Action Forms, Information and Exception List." Some NOAs are automatically mailed (mail code "M") without being returned to the worker. Other NOAs are automatically returned (mail code "R") to the worker for disposition. All NOAs requiring information to be added are automatically returned to the worker.

B. Multiple NOAs

Workers must notify the applicant/beneficiary of each reason which will result in the same "case action." If the worker needs to generate two negative action NOAs for

different reasons, the primary reason for discontinuance should be entered in the negative action box on line "E" and the secondary reason in the NOA box on line "B."

Example: The beneficiary reports that he/she has recently inherited \$10,000 and is moving out of state. In this case, the negative action code entered on line "E" will be the appropriate discontinuance code for excess property and the negative action code for loss of California residence entered in the NOA box on line "B."

If the client moves back to California within two years and reapplies for Medi-Cal benefits, the "excess property" negative action code on line "E" will alert the preapplication/intake worker to ensure that the client meets property conversion/spenddown requirements.

C. Suspense Holds

The alpha suspense codes entered on worker entry or in the line "F" Suspense Holds Box on the 278B will generate the appropriate NOAs and will automatically discontinue the case at the end of the month if the suspense code is not released. These codes may also be entered in any box labeled "NOA," however, these entries will only cause the NOAs to be sent and will not cause the case to be placed in suspense.

D. Fiscal Deadlines

The deadlines for automated and manual NOAs are indicated on the Fiscal Cut-off form. This report is distributed to districts on a monthly basis. The worker should consider the EDP processing time when determining if there is sufficient time to generate an automated NOA and still meet the timely (10 day) notice requirement for adverse actions. The worker should prepare a manual NOA when the automated NOA deadline cannot be met due to EDP processing time, but timely notice requirements can still be met manually.

The computer will print an adverse action NOA after cut-off, but will return the NOA to the worker for disposition. When the reason for the adverse action is one of those listed in 3.C above, or when the beneficiary has waived the ten-day requirement, the worker can mail the computer-printed NOA.

E. Special Computer Instruction Codes

Special computer instruction codes "N" and "R" are used by the worker to override the normal computer process.

1) Code "N"

An "N" entered in any position of the NOA box on the 278 LMB/278B will instruct the computer not to print the NOAs being requested from the line "E" positive and negative action codes, the line "F" hold box, automatically created NOAs, or NOAs requested by the worker.

2) Code "R"

The entry of special instruction code "R" in any NOA code box will cause all NOAs printed that day for that case to be returned to the worker for disposition and mailing. This permits the worker an opportunity to review the NOA for correctness.

5. RESCINDING NOAs

If the worker issues a NOA to either discontinue or deny a case based on anticipated ineligibility, and the ineligibility does not occur, the NOA is no longer valid and must be rescinded. The worker must send the appropriate NOA to notify the applicant/beneficiary that the action to either discontinue or deny has been rescinded.